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2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK
4 Case No. 09-16335-BRL

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6 In the Matter of:

7
8 FAIRPOINT COMMUNICATIONS, INC., et al.,

9
10 Debtors.

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13
14 United States Bankruptcy Court
15 One Bowling Green
16 New York, New York

17
18 October 25, 2010

19 10:30 AM

20
21 B E F O R E:

22 HON. BURTON R. LIFLAND

23 U.S. BANKRUPTCY JUDGE
24
25

HEARING re FairPoint's Sixty-Seventh Omnibus Objection to
Claims (No Basis in Books and Records).

HEARING re FairPoint's Motion to Estimate the Maximum Allowed
Amount of Proofs of Claim

Transcribed by: Karen Schiffmiller

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1 P R O C E E D I N G S

2 THE COURT: Be seated, please.

3 MR. GROGAN: Good morning, Your Honor. James Grogan
4 from Paul, Hastings, Janofsky & Walker, for FairPoint. Your
5 Honor, the only remaining item on our agenda this morning is an
6 agreed order and stipulation that we've entered into with a
7 company called Freedom Ring Communications LLC, doing business
8 as BayRing Communications, B-a-y-R-i-n-g.

9 Your Honor, BayRing has filed a number of proofs of
10 claim in the case. The claims allege damages in the
11 approximate amount of 1.3 million dollars and change. These
12 claims are largely related to billing disputes and regulatory
13 disputes that have been percolating in the New Hampshire PUC
14 for a number of years. There's also a New Hampshire PUC matter
15 that we refer to as the support system case, in which BayRing
16 alleged that FairPoint support systems were inadequate and had
17 caused damage.

18 Your Honor, what we've done to resolve this, is we've
19 agreed to give BayRing an allowed claim of 400,000 dollars.
20 This would be treated as a class 6, general unsecured claim
21 against Northern New England Telephone Operations LLC, for
22 purposes of our pending plan of reorganization. All other
23 claims would be disallowed and expunged. There would also be a
24 general release in the stipulation of all claims, whether pre-
25 or post-petition, that arise prior to August 1st, 2010.

1 Now, we would leave all of the New Hampshire PUC
2 docket matters open, except for the support system case. That
3 would be withdrawn with prejudice by BayRing. The remainder of
4 them would remain open, but solely for the purpose of
5 continuing to adjudicate the party's rights regarding these
6 billing disputes and other matters, post July 31, or, you know,
7 August 1st, 2010, and following. Except for that, the release
8 is complete, general and total.

9 Your Honor, counsel for BayRing is here as well. I
10 don't know if he wants to add anything, unless Your Honor has
11 any questions.

12 THE COURT: No, I have none.

13 MR. GROGAN: Okay.

14 MR. DEUTSCH: Your Honor, Doug Deutsch on behalf of
15 BayRing. I have nothing to add.

16 MR. GROGAN: So, Your Honor, with that, we then ask
17 you to approve the stipulation and I can hand up our order.

18 THE COURT: I'll entertain the order. The
19 stipulation's approved.

20 MR. GROGAN: Thank you, Your Honor. Your Honor, thank
21 you for your time this morning, and --

22 THE COURT: Well, I think there should be something
23 said on the record with respect to the, what is it, USAC's
24 claims estimation.

25 MR. GROGAN: Your Honor, I'm happy to say something on

1 the record, but everybody took off.

2 THE COURT: Well, then let me just say what I
3 understand following our chamber's conference, that the parties
4 have the ability and will stipulate with respect to certain
5 matters on claims that have already been filed, and then deal
6 with those. And the remainder will be dealt with in mediation,
7 and I intend to cut an order for mediation. You will inform
8 your colleagues, in case they're not familiar, with the Court's
9 mediation program. They have a period of time to pick a
10 mediator between the two of you.

11 MR. GROGAN: Yes, Your Honor. That's consistent --

12 THE COURT: And get a holding date.

13 MR. GROGAN: Get a --

14 THE COURT: Get a holding date from chambers.

15 MR. GROGAN: Okay, we will. And that's consistent
16 with the agreement we reached, and we should have that
17 stipulation ready for Your Honor's signature either late today
18 or first thing tomorrow morning.

19 THE COURT: Fine. In the interim, I will enter a
20 mediation order.

21 MR. GROGAN: Thank you, Your Honor. Have a good day.

22 THE COURT: Thank you.

23 (Whereupon these proceedings were concluded at 10:34 AM)
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I N D E X

RULINGS

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Agreed stipulation and	6	18
Order with BayRing Communications granted		

C E R T I F I C A T I O N

I, Karen Schiffmiller, certify that the foregoing transcript is
a true and accurate record of the proceedings.

Karen Schiffmiller

Veritext

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Date: October 26, 2010